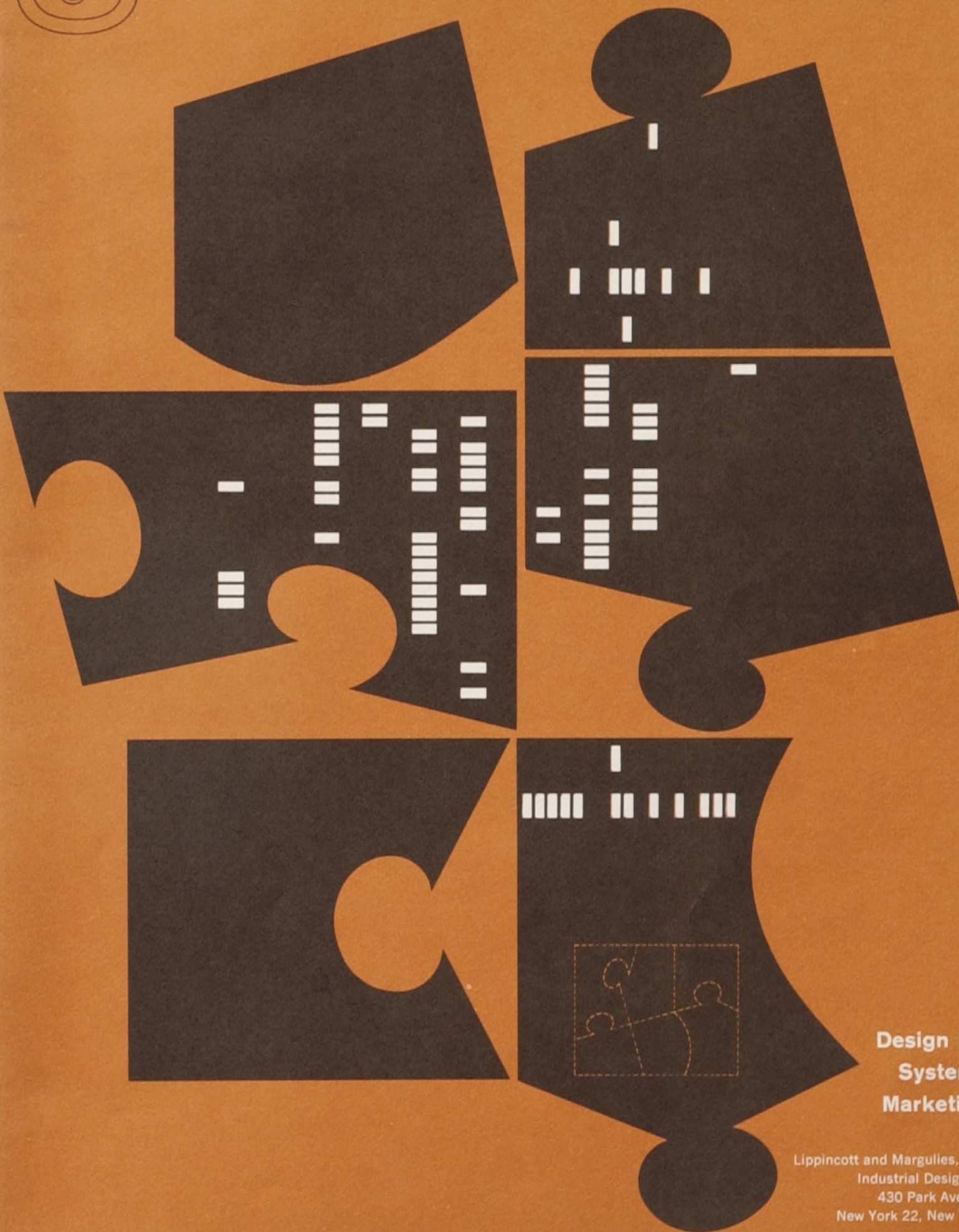




**Design for
Systems
Marketing**

Lippincott and Margulies, Inc.
Industrial Designers
430 Park Avenue
New York 22, New York



A publication
on design as it affects
marketing, merchandising,
package and
product planning, research
and store planning.
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NEW CONCEPTS FOR A NEW AGE

This is more than the Age of Science; it is also the Age of Science-in-Business. Nuclear physics, medical research, missilery and space exploration have produced important by-products in the form of new tools for the world of business.

For corporate management — and by this we mean everyone from General Motors directors to the heads of 50-employee factories — the handwriting on the wall is clear. Corporate profits, possibly corporate survival will depend on the timely application by management of these vast and varied new tools that science has made available.

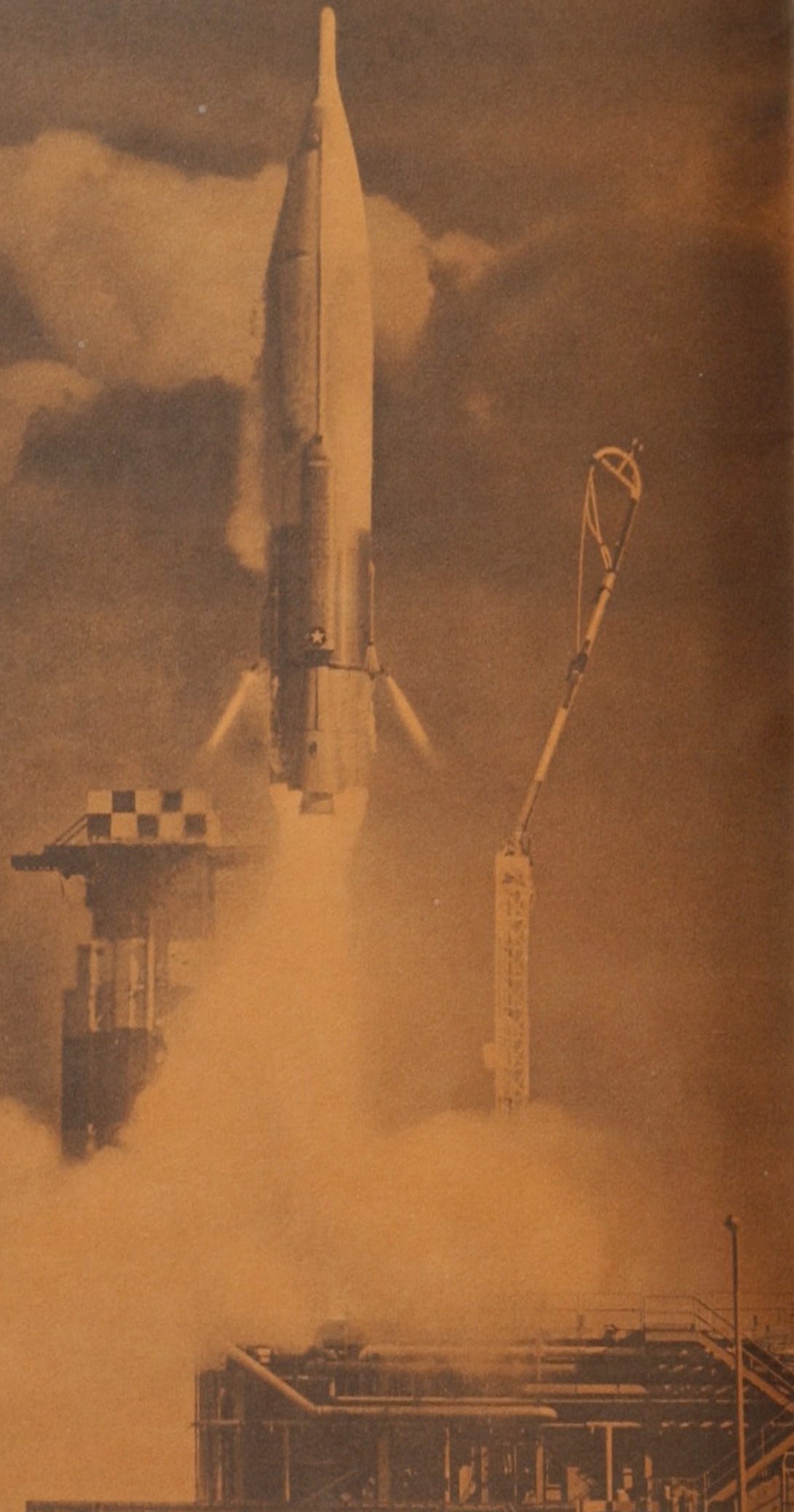
To take one example. It seems likely (other things being more or less equal) that the manufacturer who adopts new production methods — automation, for instance — will lower his costs, raise his profits, end up leaving his non-automated rivals far behind. The same holds true for product marketing; by and large, the inexorable law of “adapt or die” will determine the winners, losers and also-rans of a decade hence.

Clearly, the capabilities of today's machines and scientific methods will force management to take a fresh look at the whole area of product planning, from concept clear through to customer. More than a fresh look, it will require *a new way of thinking* about the product and its market.

Part and parcel of this “new way of thinking” is design. And that, in brief, is what this issue of DESIGN SENSE is all about — the role of design in the brave new world of systems marketing.

J. Gordon Lippincott — *Nata Margulies*

Atlas 15D being launched from Cape Canaveral, Florida. Umbilical boom has just disengaged pre-launch instrumentation and power lines. (Photo, courtesy General Dynamics Corporation)





WHAT IS A SYSTEM?

The first cave man to pick up a rock and use it to persuade a rival of the error of his ways had no problem with weapons supply. A handy rock pile was enough.

Today, for better or worse, modern weapons have become immensely complex. They are planned in terms of "generations." They are "hardware" to be "phased in" and then "phased out" as more advanced weapons become available. Nor are they considered in isolation, but rather as components of a total arsenal of weapons all of which have been assembled to carry out the goals of national strategy.

They are not even called "weapons" any more. So sophisticated has our ter-

minology become that we now think of them as "weapons systems" — a designation that aptly suggests the fact that a missile, airplane, submarine or what have you, is really a complex organism whose production demands the most careful planning and the coordination of hundreds of individual components.

The staggering complexity of modern weaponry has led — in fact, has forced, — new production concepts. No longer is it possible to work piecemeal, taking an engine from here, an airframe from there and a communications and control system from someplace else in the pious hope that everything will somehow fit together

and work right. Today, the weapons planner begins with an assigned objective and works backward. If the objective is to destroy enemy submarines, for example, the planner starts by asking how the goal can best be accomplished — by airplane, blimp, surface craft, anti-submarine submarine, shore-based missiles, or perhaps by some yet unheard of vehicle. He considers how the actual destruction will be carried out and the instrument needed to do the job. He must plan for sonar, radar, navigation and communications gear. He must pre-determine the crew requirements and pre-solve the almost infinite problems of logistics and maintenance.

These and scores of similar decisions — big and small — must be made *in advance* and incorporated in the planning.

This kind of "Total Concept" planning is Systems Engineering. It requires a thorough understanding of the total "system" before trying to design and produce the bits and pieces. It requires an ability to correlate the mass of inter-related variables — many of which are themselves in rapid developmental change — involved in the production of a "system". It uses the latest tools of communication, research and data processing to provide quick, accurate answers. Both in concept and practice, Systems Engineering has proved vastly superior to older methods of problem solving.

SYSTEMS MARKETING: NEW APPROACH TO SALES

Product marketing in the Sixties will increasingly call for something akin to Systems Engineering. The cost of selling is too high, the cost of failure too great, the competition too severe and the market too complex and changing too fast to permit the old, make-shift and make-do methods of producing and selling a product.

What is needed, in fact, is management adoption of Systems Marketing as a new approach to corporate sales and profits.

Clearly, this will require a critical look by management at the problem of getting a product from production line to consumer. No longer can the many elements of the selling program be considered separately and in isolation from other elements. No longer can companies afford to have the ad campaign communicate one message, the merchandising program communicate another, the publicity campaign something else, while the package goes blithely on its way broadcasting its own design message in magnificent

isolation. As some companies have discovered, a marketing program that gallops off in all directions at once may move fast, but it gets nowhere.

Under systems marketing the product concept *and* the name selection program, *and* the package, *and* the advertising, *and* the distribution plan *and* the p.o.p. merchandising, *and* the product publicity campaign — *and* everything else connected with the product — are considered not as separate problems to be met and solved each in its own good time and turn. Rather each is thought of as one element of a total marketing plan or "system" that has as its goal, *singularity of impression*. And with good reason.

The consumer of the Sixties, now bombarded from waking to sleeping with something like 1,500 selling messages a day, is not the easy, impressionable customer he was in the days when a single Ed Wynn equalled Texaco Fire Chief to millions. Today he has surrounded himself with a shell of sophisticated indifference. It is a hard and costly job to reach him, even harder to sell him, harder still to win his lasting loyalty. None of this is likely to grow any easier in the years ahead.

Systems marketing, then, utilizes all the media of selling to focus on the customer a single sales impression — one signal — repeated and reinforced according to the best capabilities of each medium. This concentration of sales impression, based firmly on product, market and design research is the marketer's best assurance of breaking through the "noise" of all the other competing communications and registering his sales message on the mind of the customer.

IDEAL VS. REALITY

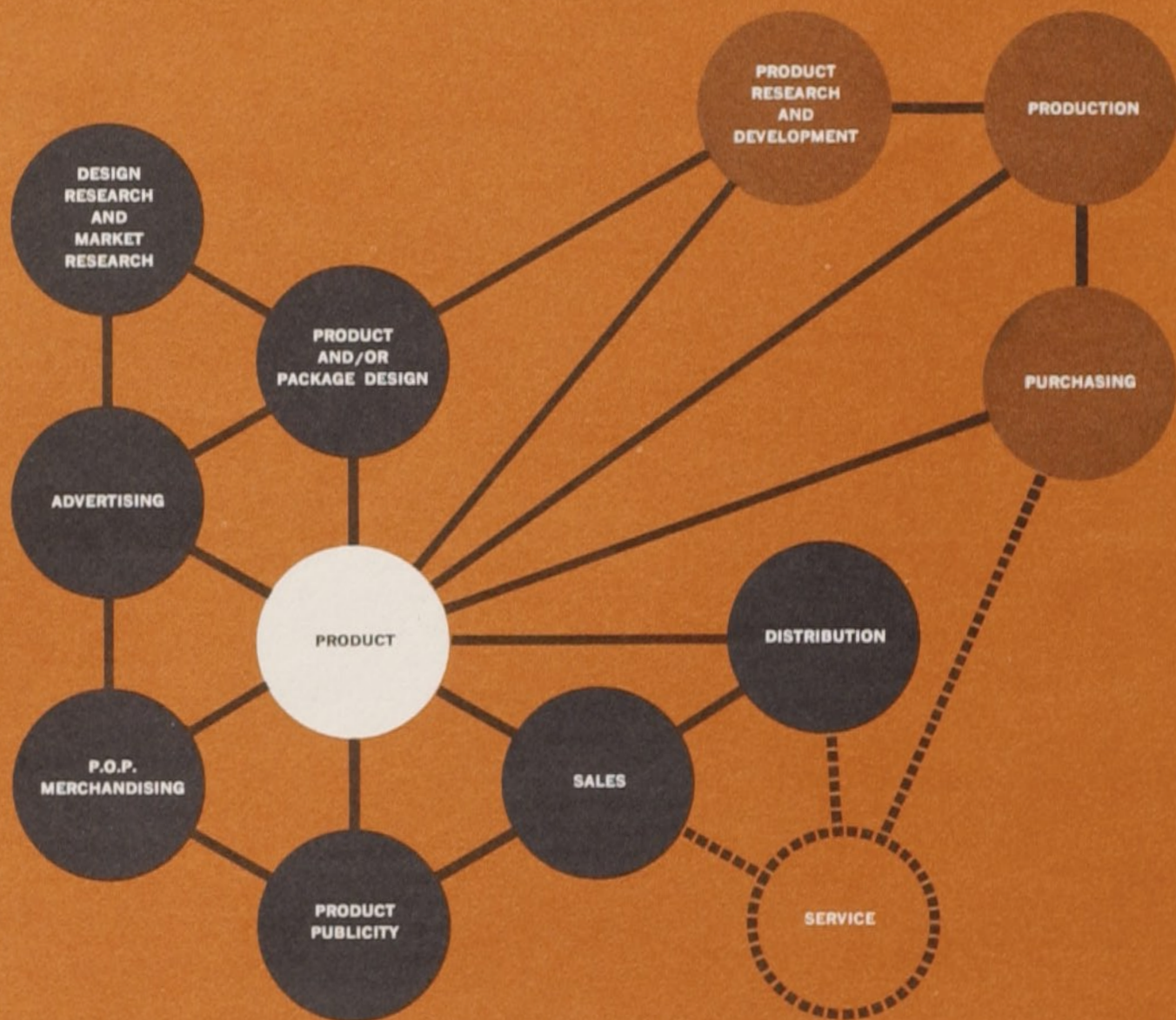
This is, of course, the ideal. The unfortunate truth is that many companies still tend to take things in stages. First

[syndrome (sin'dröm) *n.*, 1. a number of symptoms occurring together 2. in product marketing the complex of interrelated variables that are involved in the production and sale of products.]

At first glance, this may look like something out of nuclear physics, or possibly a diagrammatic representation of a fatty acid molecule. It is neither. Rather it is a chart we have found useful in demonstrating graphically the interrelation and interdependence of the many factors involved in product marketing.

Clearly, the syndromes for all marketing situations are not identical. Packaged goods, for example, usually do not involve the factor of servicing and maintenance — something that can be a powerful influence in appliance or automotive marketing. But all products, whether national, regional or local, are affected by these other marketing elements in greater or less degree.

Note also that the chart does not attempt to show the relative importance of these factors. If it did, advertising and design might well assume larger proportions — and distribution, today the third biggest cost in marketing, would be shown by a circle far larger than design and advertising combined.



the product. Then the package (or the product) design. Then the ad campaign. Then the p.o.p. materials. And so on.

The result of such "bits and pieces" marketing can range from the comical to the disastrous. All too often, we have sweated with clients through all the scores of decisions that must be made as a package or a product moves from concept to final design — only to find that the marketing goals at the end of the program are not quite the same ones we started with. Sometimes, this goal-shifting-in-mid-design does not hurt; the design is broad enough to stand on its own, and to work effectively with any of several marketing themes. Other times, when the direction change has been in the neighborhood of 180°, the design solution turns out to be entirely wrong for the product marketing program, and everybody goes back to the drawing boards to start over.

This, is, to understate the case, about as efficient as trying to carry smoke in your hands. And yet it happens. One nationally distributed food product has just gone through its *third* package re-design in fifteen months — a waste of time and money that could have been avoided with just a minimum of pre-planning.

Clearly however, no one group can be blamed for the continued existence of scattershot marketing. At times, we have been guilty as designers, of failing to understand the client's goals and failing to communicate to him our design thinking. (In fact, it was precisely to reduce such communications breakdowns to a minimum that we instituted the Account Manager System nearly four years ago and put design program liaison in the hands of marketing men instead of design personnel.) At times it has been the client who has failed to pre-determine his own product's marketing direction. Occasionally, the advertising agency

has ignored the role of the package in overall marketing strategy. To this day, one of the biggest New York agencies refuses, point blank, to "waste" any advertising space promoting a package change, or to make any use whatsoever of creative selling themes developed during the course of the package design program.

To flip the coin, here is what can happen when client, agency and designer work together as a marketing team:

Soon to be launched nationally is an ad campaign for one of our clients for whom we recently completed a package re-design program. The package design aims at a new and youthful segment of the market — yet purposely retains enough of its original design "feeling" to keep the loyalty of older, established customers. The ad campaign supports the package theme and the new package to the hilt. In short, both ad and package work together to hold the share of the market so painstakingly secured over so many years — yet both reach out simultaneously to encompass a new and broader segment of the market represented by the "young-adult" customer group. Result, in terms of test market sales have been (in the client's words), "Terrific."

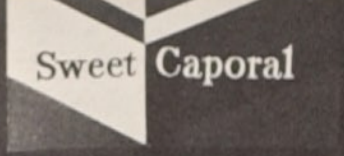
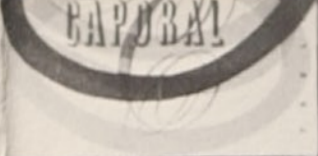
We are happy to report that this is not an isolated case. Nor does it represent *just* an example of teamwork among marketing professionals. It is also an excellent example of Systems Marketing at work planning then coordinating all the varied components of the marketing "mix" to create a memorable product image.

PACKAGE DESIGN'S

"TREMENDOUS TRIFLES"

One way to suggest the complexity of Systems Marketing is to take a brief look at the complexity of just one element of most marketing systems: the package.



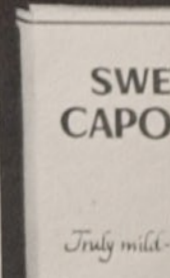
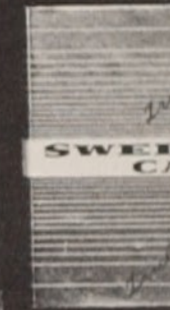
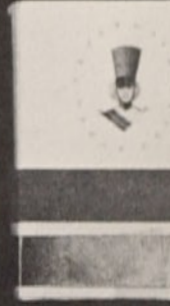
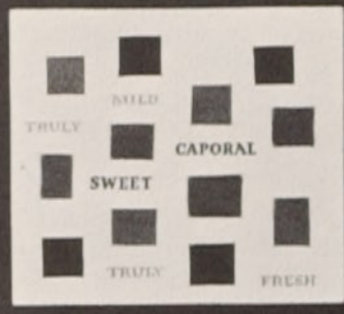


PARTIAL VIEW OF A SYMBOL SEARCH

The painstaking symbol search that accompanied the package re-design for Imperial Tobacco Co. of Canada's "Sweet Caporal" cigarettes can only be hinted at in the 31 dummy packages shown here.

In all, more than 300 preliminary sketches were done. Of these, 175 were "comped up," in dummy packages like these. Twenty were chosen for design refinement, and this group was slowly narrowed down to the final design shown on the opposite page.

Was it worth it? Sweet Caporal's sales — which had been dropping among the style-conscious young-adult group — took a permanent turn for the better. A broad market was opened up, new sales life given to an honored brand name.



To some, package design seems like an endless "diddling with details." In a way it is. From the front-of-the-box illustrations to the back-of-the-box copy, the designer's life is filled with scores of seemingly penny-ante decisions. But how he decides — the skill with which he blends all the varied elements of the design into a cohesive whole which, in turn, will mesh with the product's other marketing communications — is what separates the men from the boys in package design.

Take the important front-facing, for example. The designer must consider whether a photo, an artist's rendering or a mood-evoking abstract design will do the best job of securing that powerful intangible called "customer involvement." Operating on the theory that it is more productive to "sell the sizzle, not the steak" the goal of involvement is to get the customer so personally intrigued by the design that she momentarily drifts off into a little world of fantasy. She starts imagining herself "in the picture." She examines details. She wonders how her table or kitchen would look with the same accessories. And so on. If the

involvement works, purchase is inevitable. But the road to involvement is not an easy one; for one mass-marketed product, L&M's designers took no less than 44 pictures before picture No. 45 gave them just the right combination of lighting, exposure and placement of background elements to create the precise effect desired.

Nor is the package illustration all. The designer must choose or create a type style for the brand name, must decide whether a symbolic device will help by communicating a complicated "idea message" faster and more memorably than words or pictures. This too is no simple matter. As shown on page 7, a single cigarette package can involve the exploration of scores of possible symbolic communications.

He must also concern himself with package copy — its placement, size, type style, and at times its wording. He must consider how the product is displayed, and whether he will have to work to compress a brand statement into the few square inches available on package sides or end panels. Finally, for many products, the increase in "dealing" — putting a premium offer

or some other inducement to purchase on the face of the package — has added another complication. Traditionally, deals have been marketing afterthoughts, and the deal "patch" has been added with little regard to the design. To some designers this is sacrilege — like adding a lipstick commercial to the Mona Lisa. For our part, we feel that if the product's marketing plan makes provision for dealing, now or in the future, the designer ought to know about it in advance. He can then make provision for the deal as an integral part of the design.

Illustration, symbolism, copy, end-panels, deals are only a few of the many "components" that go into the design of every package. Package color, packaging materials and package production, are so broad and important that we cannot, in this space, add to the available literature on these subjects.

But what we would like to add is this thought:

The endless diddling with the "tremendous trifles" of package design is not waste motion. Anything but. If design is to carry its full share of the sell-



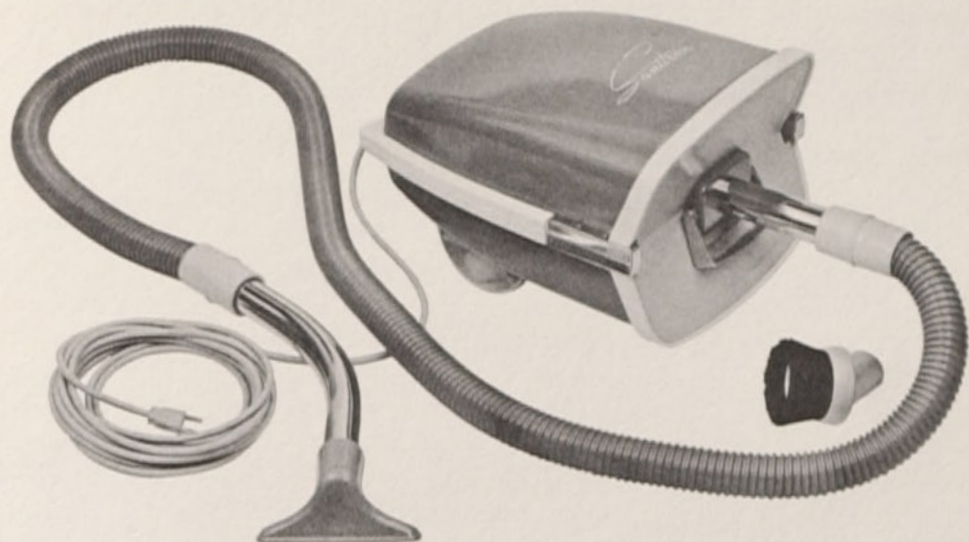
Package involvement works. This handsome copper casserole used as background prop on Protein Plus package brought letters from customers who wanted to know where they could buy one "just like it."

Design, production and marketing worked hand in hand in the development of this new "Sanitron" vacuum cleaner for Switson Industries, Ltd., of Canada.

Starting point was the development by Switson's engineers of a powerful new electric motor. This at once meant that the size of the cleaner could be reduced without loss of cleaning efficiency. Reduced size, in turn, meant several important marketing points. Here was a vacuum small enough (14" x 11" x 8½" high) to move easily, light enough to carry handily, compact enough to store in minimum

space — yet more powerful than most larger cleaners and with fully as much bag capacity.

Design by L&M successfully conveys these selling points, not only in the ground-hugging "look" of the machine, but in the overall impression of compact ruggedness that suggests a product capable of doing a man's job of cleaning. No less important: because the machine is visually different from anything else on the market, design also works to convince the customer that this cleaner really is a new product with important new advantages.



NEW DEAL FOR THE DEAL

L&M's package re-design for General Mills' big-selling Wheaties deliberately leaves room in the lower right hand corner for the inclusion of deal "patches" neatly framed by the box corners and the legs of the baseball figure.

This pre-planning has many advantages. Deals may be changed to suit regional or seasonal marketing opportunities. The area may even be used for additional selling copy, for contest announcements, all without changing the essential "look" of the package. Result: consistency in brand image communication, combined with complete flexibility in dealing.



ing load in a marketing system, then every element of the design must be as carefully thought out as every other element. The best photography in the world can be ruined by poor printing. The most effective graphics can be rendered meaningless if the physical package is not right for the product, the marketplace or the customer.

In sum, the creation of a package that will work effectively as one component of a total marketing system demands professionalism of a high order from beginning to end. This is, in truth, one area where "the want of a horseshoe nail" — the lack of professional design planning and execution — can lose both horse and battle.

THE CASE FOR SYSTEMS MARKETING NOW

For any package or product, the beauty of Systems Marketing is, that it makes great good sense, for several great good reasons.

First, the pace of new product introduction (and innovation) is increasing, and with it the cost of new product research and development. Since new products "are the key factor not only in company growth, but often in company survival" (to quote Booz, Allen & Hamilton), the answer to lower costs clearly does not lie in cutting the *rate* of new product introduction. Rather it lies in increasing the *efficiency* of new product introduction. Systems Marketing can do just that by detecting trends in markets and customer demands far enough in advance to be able to do something about them. Like the "lead" a hunter takes on a flight of ducks, systems marketing insures that your product will satisfy a marketing need not as it exists today, but as it will exist at some point in the future.

Second, the number of variables that influence the success of a product today are increasing — especially those variables that lie in the vast grey area of consumer preferences and buy-

ing habits. Systems Marketing, by making provision within the system itself for a continuous "feedback circuit" is capable of sensing these trends in marketing, competition and consumer habits — and then rapidly adjusting the system to meet the changes. In today's fast-moving brand and product battles, this fast reaction time can easily mean the difference between success and failure.

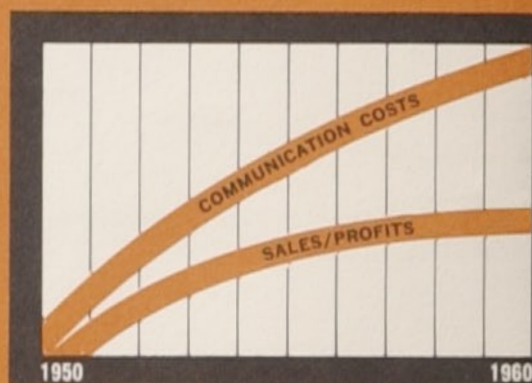
Third, as we have noted in other issues of DESIGN SENSE, the cost of communicating a sales message from maker to customer has increased at a rate twice that of corporate sales and profits. Systems Marketing takes all of the "bits and pieces" — and all of the special skills involved in getting a product from concept to customer — and welds them together to achieve a single objective. This may not lower the cost of communicating, but it does insure maximum impact for every dollar spent.

Fourth: Systems Marketing gives creative people the maximum opportunity to create. Like Systems Engineering as applied to weapons, Systems Marketing starts with one prime target — the "objective" of the product. From this point on, no holds are barred. Creative people are free to create the product, in the package, with the name, the advertising and the publicity needed to accomplish the job.

SYSTEMS MARKETING FOR THE LONG RANGE

But the value of System Marketing goes beyond the immediate problems of selling things to people today. Where this kind of long-range planning will really pay off is in the long range — in the 1970's and after.

It is not hard to see why. Labor costs, still rising, are not likely to decline. For many items, production methods are already about as automated as they can get. This leaves the field of distribution as one of the few



Since 1950,
the cost of communicating
a selling message
has risen at a rate twice
that of
sales and profits.

areas in which companies can look for, and achieve substantial economies. There is little doubt in our minds that the next ten or twenty years will see a revolution in distribution, and along with it, inevitably, a revolution in selling methods.

One outgrowth of this revolution, we suspect, will be a rapid growth during the late 1960's of *direct selling from manufacturer to consumer* as the most obvious way to shorten and straighten the kinks in the distribution pipeline. For many products, this may well mean the use of what, for want of a better name, might be called "buy-as-you-see" TV to bring the shopping shelf right into the customer's living room. The most obvious category of products for this kind of selling operation would be household staple items. But there is no valid reason why broad lines of nationally-advertised appliances — to take one example — cannot be sold via television just as successfully as soup or soap. Certainly the whole selling process would be far more economical to both customer and manufacturer than even the cost cutting-est discount house of today is able to achieve.

This kind of direct selling, however, will put a premium on The Great Corporate Name — a name and an image capable of endorsing a broad spectrum of products. For packaging, the "Proctor & Gamble approach" involving separate development, production, advertising and merchandising budgets for each brand will become increasingly costly. The "H. J. Heinz approach" of a single name for a wide mix of products will become increasingly a necessity.

For products (appliances, utensils, etc.) shopping by television will put a premium on effective advertising to pre-sell the customer. It will put a premium on the field services operation — to say nothing of product quality to begin with. It will put a premium on

corporate integrity. Finally, it will put a premium on *product design*. The appearance of the product must not only reinforce the promise of the product's advertising. Equally important: it must help convey the image of product quality and the integrity of the maker.

In terms of product marketing, shopping by television will make it increasingly desirable for the corporate name to be the same as the brand name. More and more companies, we feel, will adopt the "General Electric approach" in which great brand names like Monowatt and Telechron have been subordinated, deliberately, to the all-encompassing "GE" identification and the broad and favorable "GE" image.

Clearly, this kind of selling is years from realization. But just as clearly, the kind of thinking ahead that Systems Marketing demands will be the best insurance any company can have that the decisions of today will be "right" for the marketing conditions as they will exist ten, even twenty years from now.

ORGANIZING FOR THE FUTURE

As for putting Systems Marketing into effect, we are not optimistic enough to believe this can or will be done overnight by all U.S. industry. But there is no reason in the world why any company cannot start taking the first steps into this new frontier. Indeed, advance planning is already part and parcel of the corporate philosophy of such systems pioneers as Bell Telephone Company and major gas and electric utility companies who are now planning the kind of service they will have to be ready to give in 1970 and 1980.

The same principles of advance planning can be applied to other products and services. The prime requisite

as we see it, is recognition by management of the value of Systems Marketing, and acknowledgement of the need for the kind of intense advance planning it involves. For big multiproduct companies this might well involve assigning several executives full-time to the single job of thinking ahead and planning for products and marketplaces that will exist three, five, ten years from now. Other (smaller and/or single-product) companies may well achieve the goal of efficient Systems Marketing by assigning the job to a single executive as part of his overall responsibilities in product marketing and sales.

At the risk of oversimplifying what is in reality a highly complex process, we would urge all manufacturers to analyze their present marketing operation in search of positive answers to

questions like these:

1. Is the company's marketing operation *really* structured to encompass *all* the elements that go into the production, distribution and sales of the product?

2. Are all these elements of the marketing "mix" coordinated so that the result is, in fact, a "system" and not just a collection of odd jobs which are still thought of as only vaguely related to each other?

3. Is someone assigned the long range responsibility for continuous evaluation of the system's operation,

4. Does this person or group have the authority commensurate with the responsibility the job entails?

5. Has thought been given to the kinds of products the company should have in the future? . . . how they should be marketed? . . . what effects

these new products will have on the production, distribution and sale of other products made — or likely to be made — by the company?

6. Are the *corporate* communications simple enough for easy understanding, clear enough for easy remembering, broad enough to encompass today's products as well as products likely to be marketed in the future?

At times, in the future, a slapdash, un-coordinated sales program will achieve success — usually for reasons that have nothing to do with its marketing plan. But increasingly, we suspect, the pressures of costs, profits and competition will force all manufacturers — large, medium and small — to seek new roads to sales. Systems Marketing, we are convinced, represents the best and surest way to this goal.





We are proud to number
among our clients

Acme Visible Records, Inc.

American Community Stores (store planning)

American Laundry Machine Co. (store planning)

American Machine & Foundry Company

The American Tobacco Company

Armco Steel Corporation

Buray Biscuit Corp.

Central Soya Company, Inc.

Chemstrand Corporation

Clairol, Inc.

The Coca-Cola Company

Continental Baking Company

DeLuxe Reading Company

DX Sunray Oil Company

Esterbrook Pen Company

First National Bank of Minneapolis

General Foods Corp.

General Mills, Inc.

B. F. Goodrich Company

Haloid Xerox, Inc.

Homelite

Imperial Tobacco Company of Canada, Ltd.

Kraft Foods Company

The Kroger Company (store planning)

Lever Brothers Co.

McKesson & Robbins, Inc.

Murphy Corporation

New England Confectionery Company

Norton Company

Olin Mathieson Chemical Corp.

Owens-Corning Fiberglas Corp.

Pepperell Mfg. Co.

Phillips Petroleum Co.

Radio Corporation of America

Richmond Hotels Inc. (hotel planning)

Seabrook Farms Co.

Spartan Convector Co., Inc.

Standard Oil Company of Ohio

Stix, Baer & Fuller

Sylvania Home Electronics Corp.

Taylor Wine Company

Tennessee Oil Refining Co.

Union Carbide Corporation

United States Steel Corp.

United States Tobacco Company

Venus Pen & Pencil Company

Western Grocers, Ltd. (store planning)

This list is incomplete because we are working
with some of our clients
under conditions of strictest security

